



Meeting of the

TOWER HAMLETS COUNCIL

Thursday, 7 March 2013 at 7.30 p.m.

SECOND BUDGET COUNCIL MEETING

VENUE

Council Chamber, 1st Floor,
Town Hall, Mulberry Place,
5 Clove Crescent,
London E14 2BG

Democratic Services Contact:

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Chief Executive's
Directorate

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**TO THE MAYOR AND COUNCILLORS OF THE LONDON BOROUGH OF TOWER
HAMLETS**

You are summoned to attend a meeting of the Council of the London Borough of Tower Hamlets to be held in **THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON, E14 2BG** at **7.30 p.m.** on **THURSDAY, 7 MARCH 2013**

Stephen Halsey
Head of Paid Service

Public Information

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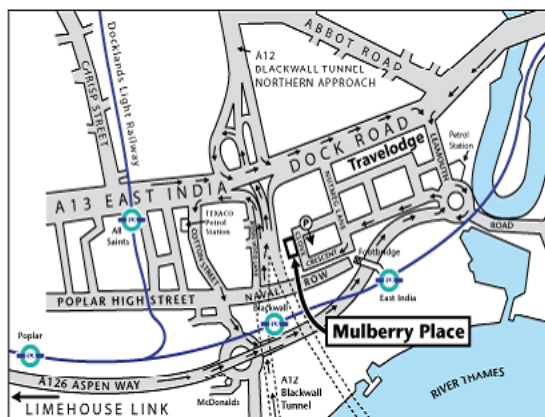
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LONDON BOROUGH OF TOWER HAMLETS

SECOND BUDGET COUNCIL MEETING

THURSDAY, 7 MARCH 2013

7.30 p.m.

PAGE
NUMBER

1. **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2. **DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

1 - 4

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.

3. **TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE SPEAKER OF THE COUNCIL OR THE HEAD OF PAID SERVICE**

4. **BUDGET AND COUNCIL TAX 2013/14**

5 - 30

To consider the revised proposals of the Mayor and Executive in relation to the Council's Budget and Council Tax 2013/14.

The first Budget Council Meeting on 27 February 2013 agreed a substantive motion that included an amendment to the Mayor's budget proposals. In accordance with the requirements of the Constitution and statutory provisions, the Mayor has been formally advised of the changes agreed by the Council and within a period of five working days must reconsider his budget proposals in accordance with those and submit his final budget proposals to the second Budget Council Meeting. Those revised proposals may at the Mayor's discretion include some or all of the changes agreed by the Council at the first budget meeting.

The attached report sets out the revised budget amendment adopted by the Council on 27 February. The Mayor's revised budget proposals will be circulated to Councillors as soon as they are available.

Officer advice on the proposals in the budget has been received by Members in the Budget Council Document Pack and papers tabled at Council on 27 February. In the interests of economy these papers are not reproduced in the attached report except where they affect the recommendations agreed. **Members are requested to bring the Budget Council Pack and tabled papers with them to the meeting.**

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Isabella Freeman, Assistant Chief Executive (Legal Services), 020 7364 4801; or
John Williams, Service Head, Democratic Services, 020 7364 4204

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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LONDON BOROUGH OF TOWER HAMLETS
SECOND BUDGET COUNCIL MEETING
THURSDAY 7th MARCH 2013
AGENDA ITEM 4
BUDGET AND COUNCIL TAX 2013/14:
COUNCIL'S REVISED BUDGET AMENDMENT

1 INTRODUCTION

- 1.1 At the first Budget Council Meeting on 27 February 2013, the Council considered the Mayor and Executive's budget proposals approved on 13 February and four amendments to those proposals.
- 1.2. The Mayor accepted two amendments proposed by Independent Members which then became part of the Mayor's budget proposals. Those proposals were then further amended in accordance with an amendment moved by Labour Members at the meeting. The substantive motion agreed by the Council is set out at section 3 of this report below and the statutory budget resolution, amended in accordance with that substantive motion, is attached at Appendix 1. This results in a Council Tax Requirement for Tower Hamlets in 2013/14 of £63,343,000 and a Council Tax at Band D of £1,188.52.
- 1.3 Officer advice on the proposals in the budget has been received by Members in the Budget Council Document Pack and papers tabled at Council on 27 February. In the interests of economy these papers are not reproduced in this report except where they affect the recommendations agreed. Members are requested to bring the Budget Council Pack and tabled papers with them to the meeting and to take account of these in making their decisions.

2. MAYOR'S RESPONSE TO THE COUNCIL'S RESOLUTION

- 2.1 In accordance with the requirements of the Constitution and statutory provisions, the Mayor has been formally advised of the changes agreed by the Council and within a period of five working days must reconsider his budget proposals in accordance with those and submit his final budget proposals to the second Budget Council Meeting. Those revised proposals may at the Mayor's discretion include some or all of the changes agreed by the Council at the first budget meeting.

- 2.2 The Mayor's revised budget proposals will be circulated to Councillors as soon as they are available.
- 2.3 The Mayor's revised proposals will form the Motion for debate at the second Budget Council meeting and the substantive motion agreed on 27 February, and set out below, represents the amendment for that debate. For the amendment to succeed at the second Budget Meeting will require two-thirds of those Members present and voting to vote in favour of the amendment.

3. COUNCIL'S AGREED AMENDMENT

- 3.1 The substantive motion agreed by the Council on 27 February is summarised below and full details are attached at Appendices 1-3. The Council
Resolved:-
- 3.2 To adopt the budget motion as set out in the agenda for the Council meeting on 27 February 2013 subject to the amendments accepted by the Mayor at that meeting (as attached at Appendix 2) and further amended as follows:-
- 3.3 To delete funding of £1.214m from the budget used to fund East End Life, delivering a saving of £433k by:
- Reducing funding available for public notices from £267,000 to £100,000, sufficient to support the provision of statutory advertising in local newspapers, tendering a long term contract in order to secure the best rates;
 - Reducing the funding of £176,000 for the advertising of choice based lettings to £50,000, sufficient to fund a provision that can be made available on a weekly basis in each housing office, leisure centre and one-stop shop in the borough, as well as online, to be managed by the lettings team;
 - To cut departmental budgets by £143,000, to reduce their general advertising spend allocated in previous years to East End Life;
- To delete the funding of £296k for Mayor's Advisors;
 - Not allocate the £1.8m of unallocated funds set out in Section 3 of Cabinet Report Wednesday 13th February to any other provision;
 - Use the £200,000 of available capital spending to free up £200,000 of previously capitalised revenue funding that will be ring fenced as a contingency fund to support the deletion of the budget used for East End Life.
 - To ring fence the savings and unallocated funds resulting from the above and set out in the below table, into a ring-fenced reserve to support a reduction in the council's black hole in 2015/16;

- To place a general restriction on the council that all virements outside of the agreed budget framework above £200,000 must be agreed by full council (* see note below)

Saving	2013/14	2014/15	Total saving
Unallocated Funding	£1.8m		£1.8m
Saving from statutory advertising	£167k	£167k	£334k
Saving from Choice Based Lettings advertising	£126k	£126k	£252k
Reduce departmental budgets (advertising spend)	£143k	£143k	£286k
Reallocation of Capital Funding	0	0	0
Mayor's Advisors	£296k	£296k	£592k
Total	£2.532m	£732k	£3.264m

- To delete the figure of '£150k' in the amendment moved by Councillor Rania Khan for 'events' and replace this with '£39k'.

(* Note: Proposal to impose a limit of £200,000 above which virements must be agreed by Full Council – Officers advise that this matter cannot be considered at Budget Council as procedures and regulations make it clear that Budget Council is for financial matters not constitutional matters. The Constitution requires that constitutional changes are referred to General Purposes Committee with full officer comments in order that all parties can be consulted. It would then be referred back to Full Council at a later date)

APPENDICES

Appendix 1 – Statutory Budget Motion incorporating amendments agreed at the Council Meeting on 27 February 2013.

Appendix 2 – Budget Amendments from Councillors Oliur Rahman and Rania Khan presented at Council on 27 February 2013 and accepted by the Mayor.

Appendix 3 – Budget Amendment from the Labour Group agreed by majority vote at Council on 27 February and forming the proposed amendment to the budget for debate on 7 March.

Appendix 4 – Substantive Motion:- Funding Statement and Budget Requirement

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SECOND BUDGET COUNCIL

7TH March 2013

COUNCIL TAX REQUIREMENT 2013/14

SUBSTANTIVE MOTION AGREED AT COUNCIL ON 27 FEBRUARY 2013

I propose the following motion in relation to Agenda item 4: "Budget and Council Tax 2013/14":-

That Council: -

General Fund Revenue Budget and Council Tax Requirement 2013/14

1. Agree a General Fund revenue budget of £297.806m and a total Council Tax Requirement for Tower Hamlets in 2013/14 of £63,343,000 as set out in the table below.

Service	Base	Savings		Growth	Adjustments	Total
	2012-13 £'000	Approved £'000	New £'000			
Education, Social Care and Wellbeing	183,651	(3,750)	(3,910)	21,326	(2,184)	195,133
Communities, Localities and Culture	78,855	(5,017)	(249)	5,417	(3,319)	75,687
Development & Renewal	20,192	(5,542)	(126)	1,720	(597)	15,647
Resources	11,811	(1,206)	(90)	1,250	(904)	10,861
Chief Executives	9,545	(187)	(463)	0	(909)	7,986
Public Health	0	0	0	29,982	0	29,982
Net Service Costs	304,054	(15,702)	(4,838)	59,695	(7,913)	335,296
Other Net Costs						
Capital Charges	10,010	0	(150)	1,000	0	10,860
Levies	2,415	0	(399)	0	0	2,016
Pensions	13,142	0	0	2,250	0	15,392
Other Corporate Costs	(19,022)	(1,669)	(603)	1,338	2,642	(17,314)
Total Other Net costs	6,545	(1,669)	(1,152)	4,588	2,642	10,954
Public Health Grant	0	0	0	(31,382)	0	(31,382)
Core Grants	(14,312)	(32)	(11,179)	2,284	0	(23,239)
Reserves						
General Fund (Corporate)	0	0	0	1,498	0	1,498
Earmarked (Directorate)	(2,317)	(3,400)	0	0	2,024	(3,693)
General Fund (Smoothing)	(105)	0	0	0	2,717	2,612
Inflation	0	0	0	5,760	0	5,760
Funding Available for Mayoral Priorities	0	0	0	0	0	0
Total Financing Requirement	293,865	(20,803)	(17,169)	42,443	(530)	297,806
Government Funding	(211,835)	0	0	61,165	0	(150,670)
Retained Business Rates	0	0	0	(96,361)	0	(96,361)
Council Tax	(80,430)	(554)	0	17,641	0	(63,343)
Collection Fund Surplus	0	0	(1,645)	0	0	(1,645)
Total Financing	(292,265)	(554)	0	78,806	0	(312,019)

APPENDIX 1

2. Agree a Council Tax for Tower Hamlets in 2013/14 of £885.52 at Band D resulting in a Council Tax for all other band taxpayers, before any discounts, and excluding the GLA precept, as set out in the table below:-

BAND	PROPERTY VALUE		RATIO TO BAND D	LBTH COUNCIL TAX FOR EACH BAND
	FROM £	TO £		
A	0	40,000	$\frac{6}{9}$	£590.35
B	40,001	52,000	$\frac{7}{9}$	£688.74
C	52,001	68,000	$\frac{8}{9}$	£787.13
D	68,001	88,000	$\frac{9}{9}$	£885.52
E	88,001	120,000	$\frac{11}{9}$	£1,082.30
F	120,001	160,000	$\frac{13}{9}$	£1,279.08
G	160,001	320,000	$\frac{15}{9}$	£1,475.87
H	320,001	and over	$\frac{18}{9}$	£1,771.04

APPENDIX 1

3. Agree that for the London Borough of Tower Hamlets in 2013/14:-

(a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be **£1,188.52** as shown below: -

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	303.00
Total	1,188.52

(b) The Council Tax for taxpayers in all other bands, before any discounts, and including the GLA precept, shall be as detailed in the table below: -

<i>BAND</i>	<i>PROPERTY VALUE</i>		<i>RATIO TO BAND D</i>	<i>LBTH</i>	<i>GLA</i>	<i>TOTAL</i>
	<i>FROM</i> £	<i>TO</i> £				
A	0	40,000	⁶ / ₉	590.35	202.00	792.35
B	40,001	52,000	⁷ / ₉	688.74	235.67	924.41
C	52,001	68,000	⁸ / ₉	787.13	269.33	1,056.46
D	68,001	88,000	⁹ / ₉	885.52	303.00	1,188.52
E	88,001	120,000	¹¹ / ₉	1,082.30	370.33	1,452.63
F	120,001	160,000	¹³ / ₉	1,279.08	437.67	1,716.75
G	160,001	320,000	¹⁵ / ₉	1,475.87	505.00	1,980.87
H	320,001	and over	¹⁸ / ₉	1,771.04	606.00	2,377.04

APPENDIX 1

- 4 Approve the statutory calculations of this Authority's Council Tax Requirement in 2013/14, detailed in **Appendix A** to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 31 to 36 of the Local Government Finance Act 1992.
- 5 Approve the Treasury Management Strategy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement as presented to Cabinet on 13 February 2013.
- 6 Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2013-2016 as amended and summarised in the tables below.

	2012-13	2013-14	2014-15	2015-16
	£'000	£'000	£'000	£'000
Net Service Costs	310,960	293,865	297,806	299,603
Growth (Incl Public Health)	6,005	40,566	4,368	3,051
CLG Grants transferring into baseline	0	23,717	0	0
Savings				
Approved	(23,656)	(20,771)	(6,577)	0
New		(5,990)	(115)	0
Inflation	4,100	5,760	6,342	7,000
Core Grants (incl Public Health)	(3,647)	(40,309)	(460)	(406)
Earmarked Reserves (Directorates)	103	(530)	(565)	0
Contribution to/from Reserves	0	1,498	(1,196)	(302)
Funding Available for Mayoral Priorities	0	0	0	0
Total Funding Requirement	293,865	297,806	299,603	308,946
Government Funding	(211,835)	(150,670)	(122,968)	(105,876)
Retained Business Rates		(96,361)	(98,763)	(100,232)
Council Tax	(80,430)	(63,343)	(64,927)	(66,550)
Collection Fund Surplus	0	(1,645)	0	0
Total Funding	(292,265)	(312,019)	(286,658)	(272,658)
Budget Gap (excl use of Reserves)	1,600	(14,213)	12,945	36,288
Unallocated Contingencies	(8,017)	0	0	0
Budgeted Contributions to Reserves	0	(1,498)	(302)	
General Fund Reserves	6,417	15,711	(12,643)	(15,865)
Unfunded Gap	0	0	0	20,423
	31/03/2013	31/03/2014	31/03/2015	31/03/2016
Balance on General Fund Reserves (£000s)	32,797	48,508	35,865	20,000

Detailed analysis of the Medium Term Financial Plan by service area 2013/14 to 2015/16

Service	Base	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total
	2012-13	Approved	New				2013-14	Approved				New	2014-15			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education, Social Care and Wellbeing	183,651	(3,750)	(3,910)	21,326	(2,184)	195,133	(1,960)	(50)	2,567	(710)	194,980	0	0	(909)	0	194,071
Communities, Localities and Culture	78,855	(5,017)	(249)	5,417	(3,319)	75,687	(350)	(65)	785	(565)	75,493	0	0	(222)	0	75,271
Development & Renewal	20,192	(5,542)	(126)	1,720	(597)	15,647	(1,534)	0	0	0	14,113	0	0	0	0	14,113
Resources	11,811	(1,206)	(90)	1,250	(904)	10,861	(230)	0	0	0	10,631	0	0	0	0	10,631
Chief Executives	9,545	(187)	(463)	0	(909)	7,986	0	0	0	0	7,986	0	0	296	0	8,282
Public Health	0	0	0	29,982	0	29,982	0	0	0	0	29,982	0	0	0	0	29,982
Net Service Costs	304,054	(15,702)	(4,838)	59,695	(7,913)	335,296	(4,074)	(115)	3,352	(1,275)	333,184	0	0	(835)	0	332,349
Other Net Costs																
Capital Charges	10,010	0	(150)	1,000	0	10,860	0	0	1,000	0	11,860	0	0	0	0	11,860
Grants	2,415	0	(399)	0	0	2,016	0	0	0	0	2,016	0	0	0	0	2,016
Pensions	13,142	0	0	2,250	0	15,392	0	0	2,200	0	17,592	0	0	2,000	0	19,592
Other Corporate Costs	(19,022)	(1,669)	(603)	1,338	2,642	(17,314)	(2,503)	0	(2,184)	0	(22,001)	0	0	1,886	0	(20,115)
Total Other Net costs	6,545	(1,669)	(1,152)	4,588	2,642	10,954	(2,503)	0	1,016	0	9,467	0	0	3,886	0	13,353
Public Health Grant	0	0	0	(31,382)	0	(31,382)	0	0	0	0	(31,382)	0	0	0	0	(31,382)
Core Grants	(14,312)	(32)	(11,179)	2,284	0	(23,239)	(2,000)	(1,000)	2,540	0	(23,699)	(2,000)	(1,000)	2,594	0	(24,105)
Reserves																
General Fund (Corporate)	0	0	0	1,498	0	1,498	0	0	302	0	1,800	0	0	(1,800)	0	0
Earmarked (Directorate)	(2,317)	(3,400)	0	0	2,024	(3,693)	0	0	0	710	(2,983)	0	0	0	0	(2,983)
General Fund (Smoothing)	(105)	0	0	0	2,717	2,612	0	0	0	0	2,612	0	0	0	0	2,612
Inflation	0	0	0	5,760	0	5,760	0	0	6,342	0	12,102	0	0	7,000	0	19,102
Funding Available for Mayoral Priorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Financing Requirement	293,865	(20,803)	(17,169)	42,443	(530)	297,806	(8,577)	(1,115)	13,552	(565)	299,603	(2,000)	(1,000)	10,845	0	308,946
Government Funding	(211,835)	0	0	61,165	0	(150,670)	0	0	27,702	0	(122,968)	0	0	17,092	0	(105,876)
Retained Business Rates	0	0	0	(96,361)	0	(96,361)	0	0	(2,402)	0	(98,763)	0	0	(1,469)	0	(100,232)
Council Tax	(80,430)	(554)	0	17,641	0	(63,343)	0	0	(1,584)	0	(64,927)	0	0	(1,623)	0	(66,550)
Collection Fund Surplus	0	0	(1,645)	0	0	(1,645)	0	0	0	0	0	0	0	0	0	0
Total Financing	(292,265)	(554)	0	78,806	0	(312,019)	0	0	26,118	0	(286,658)	0	0	15,469	0	(272,658)

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 7th MARCH 2013
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA

1. That the revenue estimates for 2013/2014 be approved.
2. That it be noted that, at its meeting on 9th January 2013, Cabinet calculated 71,531 as its Council Tax base for the year 2013/2014 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
3. That the following amounts be now calculated by the Council for the year 2013/14 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:
 - (a) £1,191,184,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of The Act. [Gross Expenditure]
 - (b) £1,127,841,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of The Act. [Gross Income]
 - (c) £63,343,000 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of The Act, as its council tax requirement for the year. (Item R in the formula in Section 31B of The Act). [Council Tax Requirement]
 - (d) £885.52 Being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of The Act, as the basic amount of its Council Tax for the year. [Council Tax]

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 7th MARCH 2013
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(e)	VALUATION BAND	LBTH £
	A	590.35
	B	688.74
	C	787.13
	D	885.52
	E	1,082.30
	F	1,279.08
	G	1,475.87
	H	1,771.04

Being the amount given by multiplying the amount at 3(d) above by the number which, in the proportion set out in Section 5(1) of The Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of The Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2013/14 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:-

VALUATION BAND	GLA £
A	202.00
B	235.67
C	269.33
D	303.00
E	370.33
F	437.67
G	505.00
H	606.00

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 7th MARCH 2013
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

5. That, having calculated the aggregate in each case of the amounts at 3(d) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2013/14 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	792.35
B	924.41
C	1056.46
D	1188.52
E	1452.63
F	1716.75
G	1980.87
H	2377.04

6. Government regulation now requires a local authority to conduct a referendum where if compared with the previous year, they set council tax increases that are "excessive". Under current legislation and in accordance with principles approved under Section 52ZB Local Government Finance Act 1992, the Council tax set by the London Borough of Tower Hamlets for 2013/14 is not deemed to be excessive.

SUBSTANTIVE MOTION

Summary Draft Medium Term Financial Plan 2013-16

	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Net Service Costs	310,960	293,865	297,806	299,603
Growth (Incl Public Health)	6,005	40,566	4,368	3,051
CLG Grants transferring into baseline Savings	0	23,717	0	0
Approved	(23,656)	(20,771)	(6,577)	0
New		(5,990)	(115)	0
Inflation	4,100	5,760	6,342	7,000
Core Grants (incl Public Health)	(3,647)	(40,309)	(460)	(406)
Earmarked Reserves (Directorates)	103	(530)	(565)	0
Contribution to/from Reserves	0	1,498	(1,196)	(302)
Funding Available for Mayoral Priorities	0	0	0	0
Total Funding Requirement	293,865	297,806	299,603	308,946
Government Funding	(211,835)	(150,670)	(122,968)	(105,876)
Retained Business Rates		(96,361)	(98,763)	(100,232)
Council Tax	(80,430)	(63,343)	(64,927)	(66,550)
Collection Fund Surplus	0	(1,645)	0	0
Total Funding	(292,265)	(312,019)	(286,658)	(272,658)
Budget Gap (excl use of Reserves)	1,600	(14,213)	12,945	36,288
Unallocated Contingencies	(8,017)	0	0	0
Budgeted Contributions to Reserves	0	(1,498)	(302)	0
General Fund Reserves	6,417	15,711	(12,643)	(15,865)
Unfunded Gap	0	0	0	20,423
Balance on General Fund Reserves (£000s)	31/03/2013 32,797	31/03/2014 48,508	31/03/2015 35,865	31/03/2016 20,000

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BUDGET COUNCIL MEETING – 27th FEBRUARY 2013

Independent Amendment

Proposer: Cllr Oliur Rahman
Seconder: Cllr Shafiqul Haque

This Council Notes:

1. The report from the University and College Union that Bethnal Green and Bow constituency has the highest number of people without formal qualifications in the country.
2. The report from the Campaign to End Child Poverty that Tower Hamlets continues to have among the highest levels of child poverty in the county.
3. The progress made over the last decade in the borough to increase the numbers of people with formal qualifications and reduce levels of child poverty. The recent census information shows a decrease in the proportion of people without any formal qualifications from 35% in 2001 to 20% in 2011. The current figure of 42% of children living in poverty is a decline from 53% in 2009 and 60% 2006.

This Council Agrees:

1. Government cuts threaten to roll back these advances:
 - Instead of improving access to education for poorer communities, the government is restricting it. They have slashed the education maintenance allowance, increased tuition fees, and replaced financial support for adult learners with prohibitive loans.
 - Instead of lifting people out of poverty, government welfare reform threatens to place more families to poverty. The DWP have identified thousands of households in Tower Hamlets that will be affected by welfare reform, not just large families or the workless, these are families living on low incomes. The average reduction will be £101 a week. 37% will lose more than £100 a week. 30% will lose between £50-10 a week.

This Council Notes the following resource implications:

1. The Council currently has a healthy level of reserves, expected to be £32,897,000 in March this year.

This Council Believes:

1. That the requirement to maintain a healthy level of reserves to meet current and future risks must be balanced responsibly with the needs of Tower Hamlets residents and the opportunity to invest in the borough's future.

This Council Resolves:

1. To allocate the one-off funding in the following areas allocated from funding already set aside in the budget for third sector grants :

This Council Resolves:

1. To extend provision in the borough for those without formal qualifications and effected by welfare cuts by committing £65,000 to the establishment the new Unite Community Centre in St George's Town Hall.
2. This is a partnership between the council, Unite - Europe's largest trade union and Barclay's Bank.
3. The Unite Community Centre will offer:
 - Education courses, employment and welfare advice services and community events.
 - It will run three Skills for Life courses a week, and each will hold three sessions a week.
 - Over the course of the year it aims to have 300 learners take Skills for Life courses.
 - Based on this, and the provision of non-accredited ESOL, art and photography courses, and cultural events, the centre expects 50 unique visitors a week.

Budget Council Meeting – 27th February 2013

Independent Amendment

Proposer: Cllr Rania Khan

Seconder: Cllr Abdul Asad

This Council notes the progressive budget proposals from Mayor Rahman and his administration, which will see:

1. A borough we can be proud of and which is environmentally friendly; including ten new THEOs, a potholes squad, new cycling infrastructure, a new Burial Ground, £1m further investment into our Faith Buildings and £800,000 on a borough wide deep clean.
2. Investment in our young people; continuing our MEA scheme, providing 400 Mayor's University Grants and free school meals for all children in reception and year one for the next two years.
3. Bringing investment into key areas of the borough; bringing improvements into and promoting Roman Road, Burdett Road, Brick Lane and Bethnal Green Market.
4. Keeping more money into residents' pockets; freezing council tax and fees and charges and maintaining council tax benefit and creating a £1m Preventing Homelessness Fund.

This Council notes the following in relation to the borough's rich heritage and culture:

1. Tower Hamlets has an exceptionally rich history which has been shaped by the different people who have lived and worked here; the movements that started here and have grown to be national and global forces for changes; our links to royalty; and our role as the economic powerhouse of London and the country.
2. Tower Hamlets is currently facing the fastest pace of change and development in the country. This development is creating jobs, new houses and a borough fit for the future.
3. In light of this new development, there is a commitment from both residents and the administration of the borough to ensure that the history and heritage of the borough is preserved and celebrated.
4. That Cultural Industries are one of the fastest growth areas in the borough, with currently over 30,000 jobs in cultural and creative industries in Tower Hamlets.
5. The Enterprise Strategy identified the importance of cultural industries for the borough's economic future.

This Council notes the following central government cuts to culture and heritage:

1. The Suspension of English Heritage's Blue Plaque scheme in January 2013, due cuts in government funding. The scheme is being wound down, with only approved plaques being installed and no new suggestions from the public being taken.

2. The sustained funding reductions from central government sources towards arts and cultural activities, including the 30% reduction in funding to the Arts Council; the scrapping of the UK Film Council and Museums, Libraries and Archives Council; and the collective impact of reduced funding availability on the ability for cultural services to continue to run.

This Council notes the following in regards to the borough's disabled and elderly residents and the third sector:

1. Tower Hamlets has a larger number of residents receiving disability benefits and with limiting long term conditions than the national average.
2. Disabled residents are more likely to live in poverty and to suffer from social isolation.
3. Tower Hamlets has a young population, however 6.1% of the population are aged 65, of which we have the highest proportion of older residents living alone and an above average level of pensioner poverty.
4. The Council continues to provide a wide range of services to disabled and elderly residents and this administrations' commitment to free home care, makes Tower Hamlets the only council in the country to offer free home care.
5. Tower Hamlets has a thriving third sector, with between 2,000 and 3,000 organisations working in the borough. They provide a range of vital services, including delivery against our own Community Plan targets. The important role they play has been recognised by this administration who has increased investment in the Mainstream Grants to £8m.

This Council notes the following central government reforms:

1. The reduction in government support to older residents and disabled residents, including the change from RPI to CPI in pension uplift; the change in disability support from Disability Living Allowance onto Employment Support Allowance or Jobseekers Allowance and the transition from Disability Living Allowance to Personal Independence Payments, which will result in fewer residents receiving levels of support and those in receipt of benefits receiving less. This is in conjunction with rising food and energy bills which impact the hardest on those on fixed low incomes.
2. That the rhetoric of the Big Society which suggested an enhanced role for the third sector has been undermined by the funding cuts from central government have resulted in reduced ability for the third sector to provide services and have resulted in the third sector feeling marginalised and under-recognised.

This Council Notes the following resource implications:

1. The Council currently has a healthy level of reserves, expected to be £32,897,000 in March this year.

This Council Believes:

1. That the requirement to maintain a healthy level of reserves to meet current and future risks must be balanced responsibly with the needs of Tower Hamlets residents and the opportunity to invest in the borough's future.

This Council Resolves:

1. To allocate the one-off funding in the following areas allocated from funding available from additional savings identified during the budget process and set out in the budget papers :

In relation to celebrating our older and disabled residents and the excellent work of our third sector:

Allocate £150k for 3 events to celebrate the achievements and contributions made by older residents in Tower Hamlets, disabled residents in Tower Hamlets and the third sector.

- A Disability Day to further promote disabled residents' dignity and wellbeing, which will be a celebration of disabled residents as well as provide information about support services and welfare advice.
- An Older People's Day to celebrate the contributions older residents have made and continue to make in the borough as well as an opportunity to provide information about support services, activity and leisure opportunities.
- A Third Sector Celebration to promote the excellent work and achievements of our third sector.

In relation to celebrating our heritage and history

Allocate a one-off sum of £4,000 to create a Tower Hamlets People's History Plaque Scheme.

- This will ensure we are able to commemorate our unique history and heritage.

In relation to helping our young people into the creative industries

Allocate £125k to create 10 part time apprenticeships in local creative industries.

- This will enable young people in Tower Hamlets to gain valuable experience in the huge range of cultural industries in the borough.

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Labour Group Budget Amendment

Proposed: Cllr Carlo Gibbs
Seconded: Cllr Joshua Peck

This council notes:

- That between the Chancellor's Emergency Budget in 2010 and 2017/18, the Council's General Fund budget will have been cut by 50%;
- The Council's Medium Term Financial Plan is showing a black hole of £39m in 2015/16, £24m of which is unfunded, and a deficit of at least £55m is anticipated in 2016/17;
- By 2015/16, Council reserves will be brought down to their lowest advisable level of £20m;
- Many of the Mayor's biggest spending commitments– including Free School Meals, THEOs, additional cleaning, Faith Buildings Fund, Educational Award and Council Tax Benefit – are only funded up to the election;
- Continuing these services after their current funding ceases would increase the council's black hole by over £6m each year;
- In order to fund additional spending, the Mayor has initiated further frontline cuts, including a 5% reduction of the staffing budgets in Adults Health and Wellbeing and Children Schools and Families directorates, placing further pressure on frontline staff;
- Closing this black hole would require the equivalent of a £600 per household Council Tax increase or cutting in half the services provided to the elderly and disabled in the Borough;
- The Labour Group has been asking the Mayor for over a year to explain how he plans to close this financial black hole over which he has presided.

This council believes:

- It is the duty of the council to manage its finances efficiently, delivering a balanced budget to ensure long term stability of services for residents;
- In facing these cuts the residents of this borough deserve openness and honesty about how those elected to represent them will deal with this issue;
- The Mayor has lost control of the Council's finances and has no proposals - such as an invest to save strategy, star chamber programme or review of service - to deal with this black hole;
- Plans to tackle the deficit will take time to bring online and, in order to be delivered in 2015, will have to be agreed by council a long time before then;
- The Mayor is failing to show leadership in the face of the Government's cuts by ignoring the council's precarious financial state until after the next election.

This council further believes:

- It is wrong for the Mayor to continue spending significant amounts of public money on self-publicity such as East End Life, political mailings to residents, banners with his face on and other communication spending;

- It is wrong for the Mayor to increased spending on his office by 65% to £700,000, including £296k for advisors, when cuts to frontline staffing budgets elsewhere in the organisation are taking place. Particularly as he has a Cabinet that is supposed to advise him on these issues;
- It is wrong that the Mayor continues to hire a Mercedes and driver at significant cost to the council;

This council therefore resolves:

To amend the Mayor's budget:

- To delete funding of £1.214m from the budget used to fund East End Life, delivering a saving of £433k by:
 - Reducing funding available for public notices from £267,000 to £100,000, sufficient to support the provision of statutory advertising in local newspapers, tendering a long term contract in order to secure the best rates;
 - Reducing the funding of £176,000 for the advertising of choice based lettings to £50,000, sufficient to fund a provision that can be made available on a weekly basis in each housing office, leisure centre and one-stop shop in the borough, as well as online, to be managed by the lettings team;
 - To cut departmental budgets by £143,000, to reduce their general advertising spend allocated in previous years to East End Life;
- To delete the funding of £296k for Mayor's Advisors;
- Not allocate the £1.8m of unallocated funds set out in Section 3 of Cabinet Report Wednesday 13th February to any other provision;
- Use the £200,000 of available capital spending to free up £200,000 of previously capitalised revenue funding that will be ring fenced as a contingency fund to support the deletion of the budget used for East End Life.
- To ring fence the savings and unallocated funds resulting from the above and set out in the below table, into a ring-fenced reserve to support a reduction in the council's black hole in 2015/16;
- To place a general restriction on the council that all virements outside of the agreed budget framework above £200,000 must be agreed by full council.

Saving	2013/14	2014/15	Total saving
Unallocated Funding	£1.8m		£1.8m
Saving from statutory advertising	£167k	£167k	£334k
Saving from Choice Based Lettings advertising	£126k	£126k	£252k

Reduce departmental budgets (advertising spend)	£143k	£143k	£286k
Reallocation of Capital Funding	0	0	0
Mayor's Advisors	£296k	£296k	£592k
Total	£2.532m	£732k	£3.264m

- To delete the figure of '£150k' in the amendment moved by Councillor Rania Khan for "events" and replace this with '£39k'.

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APPENDIX 4

SUBSTANTIVE MOTION - COUNCIL 7TH MARCH 2013

2013/14 BUDGET REQUIREMENT: CHANGES FROM PROPOSAL AGREED AT CABINET 13TH FEBRUARY

	State if not ongoing	Increases in budget requirement	Reductions in budget requirement	£m
Budget Requirement 2013/14 as per Cabinet 13th February				297.806
Allocation of resources available for priorities			0.934	
Growth				
Celebration events	One off	0.039		
Peoples' History Plaques	One off	0.004		
Apprenticeships- creative industries	One off	0.125		
Savings				
East End Life			0.436	
Mayor's advisers	Two years		0.296	
Contribution from Capital (subject to feasibility)	One off		0.200	
Earmarked reserve for East End Life closure	One off	0.200		
Contribution to Reserves (**)	One off	1.498		
		1.866	1.866	
Budget requirement 2013/14 per amendment				297.806

(**) Balance of £1.8m contribution to reserves (£302,000) will be made in 2014/15.

APPENDIX 4

SUBSTANTIVE MOTION: COMBINED MAYORAL PROPOSAL AND LABOUR AMENDMENT

FUNDING STATEMENT: FUNDING OVER TWO YEARS 2013/14- 2014/15

	Earmarked Reserves £m	Additional savings £m	Public Health Grant £m	Capital £m	Total £m
<u>Funding</u>					
Funding available (all one-off)	1.065	4.848	2.800	5.300	
Transfer of funding for faith buildings	1.000			-1.000	
Total funding available	2.065	4.848	2.800	4.300	14.013
<u>Spending allocations</u>					
Discretionary housing payments	1.000				1.000
Town Centre Managers	0.355				0.355
Boroughwide deep clean	0.710	0.090			0.800
Bursary @ £1,500 for 2 yrs		1.260			1.260
THEOs		1.330			1.330
Measures to support cycling				0.100	0.100
Pothole squad		0.200			0.200
Burial Grounds				3.000	3.000
Free School Meals			2.756		2.756
Additional investment in Faith Buildings				1.000	1.000
Total allocations	2.065	2.880	2.756	4.100	11.801
Balance of funding remaining	0.000	1.968	0.044	0.200	2.212
<u>Mayoral & Labour amendments Budget Council</u>					
Celebration events		0.039			0.039
People's Plaque Scheme		0.004			0.004
Creative industry apprenticeships		0.125			0.125
Contributions to reserves		1.800			1.800
Transfer of revenue expenditure to capital		-0.200		0.200	0.000
Earmarked reserve for implementation		0.200			0.200
	0.000	0.000	0.044	0.000	0.044